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UNITED STATES DISTRICT COURT
 NORTHERN DISTRICT OF CALIFORNIA
 SAN FRANCISCO DIVISION

& CAPITAL PARTNERS, L.P.; DAVID
 C. SOWARD, TMP; LEONARD
 BOSACK and SANDY LERNER, aka
 SANDRA K. LERNER,

Plaintiffs,

v.

UNITED STATES OF AMERICA,
 DEPARTMENT OF THE TREASURY, by
 its agency, the INTERNAL REVENUE
 SERVICE,

Defendants.

Case No. C-01-4740 MJJ

LEONARD BOSACK and SANDRA K.
LERNER,

Plaintiffs,

v.

UNITED STATES OF AMERICA,
DEPARTMENT OF THE TREASURY, by
its agency, the INTERNAL REVENUE
SERVICE,

Defendants.

Case No. C-03-4579 MJJ

**STIPULATION TO STAY CASE
MANAGEMENT PLAN AND [REDACTED]
ORDER**

Plaintiffs & Capital Partners, L.P., David C. Soward, Leonard Bosack and Sandy Lerner,
by and through their attorneys, and Defendants United States of America, Department of the
Treasury, by its agency, the Internal Revenue Service (the “Defendants”), by and through their
attorneys, hereby stipulate and agree as follows:

WHEREAS, the parties are engaged in settlement discussions and are hopeful of resolving
these cases without the necessity of trial;

WHEREAS, the Amended Pretrial Orders signed by the Court on or about February 7,
2006, as amended, set a cutoff date for non-expert discovery of September 26, 2006 and an
October 17, 2006 hearing date for dispositive motions;

WHEREAS, all parties to these cases have agreed through counsel that the potential
settlement of this case justifies staying non-expert discovery and dispositive motions until after
the Settlement Conference on January 18, 2007.

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IT IS THEREFORE STIPULATED THAT:

Subject to the Court's approval, the case management plan be stayed until January 27, 2007. Should the case not be resolved, the parties will submit a Joint Case Management Plan on or before February 1, 2007.

Dated: September 27, 2006

PAUL J. SAX
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By /s Michael A. Beckius
Michael A. Beckius
Attorneys for Plaintiffs Leonard Bosack and
Sandy Lerner

Dated: September 27, 2006

MARTIN A. SCHAINBAUM
Martin A. Schainbaum, P.C.

By /s Martin A. Schainbaum
Martin A. Schainbaum
Attorneys for Plaintiffs & Capital Partners, L.P.
and David Soward


Dated: September 27, 2006

KEVIN V. RYAN
United States Attorney

By /s Joseph A. Sergi
Joseph A. Sergi
Attorneys for Defendant United States of
America, Department of the Treasury, by its
agency, the Internal Revenue Service

IT IS SO ORDERED:

October 5
Dated: , 2006



Martin J. Jenkins
United States District Judge